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**Tarrant County Texas** 

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NOTICE OF CONFILLING ANATURAL PERSON MAY REMOVE OR STRIKE ANY OR ALL OF THE POLICE WING INFORMATION BEFORE IT IS FILED IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S

XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this day of, 200 8 between s	·- <b>-</b>
day of, 200_8 between s	Shane Elmore
whose address in	
whose address is: 319 4th Street, Kennedale, Texas 76060	Lessor (whether one or more)
whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee, WITNESSETH:	and XTO Energy Inc.

See Exhibit "A" attached hereto and made a part hereof.

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

- 2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of said land with no cessation for more than ninety (90) consecutive days.
- said land with no cessation for more than ninety (90) consecutive days.

  3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 1/4 part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 1/4 part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to when sold by Lessee.

  1/4 of the cost of Ireating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) on all other ninerals mined and marketed in the market value, at the mouth of the well, or (2) when used by Lessee off said land or in that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times and all such wells are shul-in, his lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as and all such wells are shul-in, and thereafter this lease may be continued in force as if no shuch in a production of the primary term or at any time or times said wells are shul-in, and thereafter this lease may be continued in force as if no shuch in additional or to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall make like apprent to the order of the primary term, all such wells are shul-in, for a period of ninety consecutive days, and during such time there are no operations on addition, then at or before the expiration of the primary term, all such wells hereby. Lessee shall make like payments or lenders at or before the end of each reproducing and the producing and the producing and payment, because the minerals shul-in royally, if at any time or times after the expiration of said ninety day period if upon such be
- payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

  4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, so to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% horizons, so as to contain not more than 60 surface acres, plus 10% acreage tolerance, if limited whole and the surface acres plus 10% acreage tolerance, if limited in the following: (1) gas, other than enables of the conservation agency having mineral and a many of mose here he following: (1) gas, other than enlargement, are permitted or required under any informental rule or order, for the drilling or operation of a well at a the time established, or after maximum allowable from any well to be drilled, drilling, entermined and the rolling of the produced from any well to be drilled, drilling, entermined and the produced from any well to be drilled, drilling, entermined and the produced from any well to record in the public office in which this lease is rece said option as to each desired unit by executing an inform to the size permitted or any drilling it for record in the public office in which this lease is rece said option as to each desired unit by executing an information to the six permitted or whether before a died of record. Each of said options may be exercised to the such as a permitted or whether before a died of record. Each of said options may be exercised to the such and the public office in which this lease is incomed to the such and the public office of the such and the public off
- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor quantities
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and for damages caused by its operations to growing crops and timber on said land.

- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing Lessee. Neither the service of said notice nor the doing of any action shall be brought until the lapse of sixty (60) days after service of such notice on admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless under applicable governmental regulations, (but in no event less that forty acres), such acreage to be designated by Lessee as nearly as practicable in on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee to deduct amounts so paid from royalties or other payments payable or which may become payable to the rights of the holder thereof and lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at associated with a directional well for the purpose of drilling, reworking or other operations under said land or lands with which said land are pooled in accordance with this lease, provided that such operations are shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

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LESSOR(S)			
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Shane Elmore		_	
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	·		
STATE OF Texas }	: :		
STATE OF <u>Texas</u> } COUNTY OF <u>Tarrant</u> }		MENT FOR INDIVIDUAL)	•
This instrument was acknowledge	ed before me on the 18 day of	July . 20 08 by	Shane Elmore
	CATHY CARUTHERS  Notary Public  STATE OF TEXAS  My Comm. Exp. Oct. 27, 2008		aruthers aruthers
My commission expires:	(0.42) WA COUNTY EXP. COT. 51, 5009 (0.	Printed <u>(a+hy</u> (	aruthers
Seal:		•	
STATE OF}			
COUNTY OF} s	s. (ACKNOWLEDO	GMENT FOR COMPANY)	
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		Signature	N-tD-1
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My commission expires:		Printed	
Seal:			

### **EXHIBIT "A"**

Attached hereto and made a part hereof that certain Oil, Gas and Mineral Lease dated \_\_\_\_\_\_\_\_, 2008, by and between Shane Elmore, as Lessor and XTO Energy Inc., as Lessee, to-wit:

0.55096 acres of land, more or less, located in the Jacob Prickett Survey, Abstract No. 1225, being described as Lots 7 & 8, Block 39, of the Original Town of Kennedale, Tarrant County, Texas, according to the plat recorded in Volume 46, Pages 222 & 223, Deed Records, Tarrant County, Texas, including all of lessor's interest in streets, alleys, roadways, easements and rights-of-way adjacent or appurtenant thereto.

It is understood and agreed that the provision of the addendum shall supersede any portion of the printed form of this lease which is inconsistent herewith, and the other printed provisions of this lease, to which this is attached, are in all things subrogated to the expressed and implied terms and conditions of this rider.

15. It is hereby agreed and understood there shall be no drilling activity on the surface of the above-described leased premises. However, this waiver of surface rights shall not be construed as a waiver of the right of Lessee to exploit, explore for, develop, or produce such oil or gas with wells drilled from outside of the leased premises, including, but not limited to, directional wells bottomed beneath or drilled through any part (other than the surface).

No Warranties. Lessor makes no warranty of any kind with respect to title to the Land. By acceptance of this Lease, Lessee acknowledges that it has been given every opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Land, and Lessee assumes all risk of title failures. All warranties that might arise by common law or by statute, including but not limited to, Section 5.023 of the Texas Property Code (or its successors), are excluded. If Lessor owns an interest in the Land less than the entire fee simple estate, then the royalties (including shut-in royalties) payable hereunder will be reduced proportionately. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Lessor will use all its reasonable efforts to assist Lessee to subordinate any rights of a mortgage holder to perfect the Lessee's rights under this lease; provided, however, any necessary subordination shall be obtained by Lessee at Lessee's sole expense. In the event Lessee is unable to obtain a subordination agreement, Lessee, at its option, may discharge any tax, mortgage, or other lien or interest and other charges on the Land superior to this Lease, and in the event Lessee does so, Lessee will have the option of applying the royalties accruing to Lessor toward payment of same and Lessee shall be subrogated to the rights of the holder thereof.

SIGNED FOR IDENTIFICATION:

Shane Elmore

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALLOF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

# MEMORANDUM OF OIL AND GAS LEASE

Shane Elmore		•	urnishing notice to all perso	
whose address is	319 4 <sup>th</sup> St	treet, Kennedale, Tex	as 76060	AAT (1)
lelivered to XTO Energy Inc.	, whose address is	•	Ort Worth, TX 76102.	as Lessor(s) has executed and
Lease dated 111 4 184	4 ) #	covering the following descr	ihed lands located in	as Lessee, a certain Oil and Gas
exas, to-wit:		wording the following descr	noed lands located in	Tarrant Count
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).55096 acres of land, m	nore or less, locat	ed in the Jacob Prick	ett Survey Abetract 1	No. 1225, being described as
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treets, alleys, roadways	s, easements and r	ights-of-way adjacer	it or appurtenant there	eto.
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pooling, payment of royalties an	ased premises or from	lands pooled therewith an	d includes provisions respe	hereafter as oil, gas and other minera cting exploration, drilling, production
	a provious, and	is necesy made a part by re	rerence and adoption as if co	opied herein in full.
EXECUTED this	day of			
	day of	, 2008.		
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STATE OF TEXAS				
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COUNTY OF Tarrant	·			
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Shane Elmore	sea perete tile off	- July 18	<u>,2008</u> by	
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		Notary Public	Printed Name:	Cath Canth
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	My CO	mm. Exp. Oct. 27, 2008	Notary Public, State	of Jegan
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COUNTY OF	ged before me on		Notary Signature:	
COUNTY OF	ged before me on		Notary Signature: Printed Name:	of

## Request for Taxpayer **Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

	Name (as shown on your income tax return)		<del></del>			
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page	Business name, if different from above					
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5						
8.5	Check appropriate box: Individual/Sole proprietor	Corporation Partnership			<del></del>	
\$ 4	Limited liability company. Enter the tax classification	L Corporation	р		Exempt	
Print or type Specific Instructions	Other (see instructions) >	(9 - distribution of the comporation	, F=partnership) ▶	·	payee	
草皂	Address (number, street, and apt. or suite no.)			····		
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IAOIG	. If the account is in more than one name, see the oper to enter.	chart on page 4 for guidelines on v	vhase	Employer id	entification num	box
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Par	t II Certification			<u> </u>	···	<del></del>
Unde	penalties of perjury, I certify that:			<del></del> -,		
1. T.	ne number shown on this form is my correct taxon	or Montification				
<ol> <li>The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and</li> <li>I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal</li> </ol>						
R	evenue Service (IRS) that I am subject to backup w	am exempt from backup withhold	ling, or (b) I have	e not been r	otified by the I	nternal
n	evenue Service (IRS) that I am subject to backup witified me that I am no longer subject to backup will	ithnolding as a result of a failure to	report all intere	est or divider	nds, or (c) the l	RS has
3. }	am a U.S. citizen or other U.S. person (defined belo	wi	.•			•
Certit	ication instructions. You must seem a subject of					
withh	ication instructions. You must cross out item 2 ab olding because you have falled to report all interest ortgage interest paid, acquisition or abandonment of	nove if you have been notified by the	he IRS that you	are currently	subject to bac	kun
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arrangement (IRA), and generally, payments other than interest and distribution of debt, contributions to an individual retirement						
provid	e your correct TIN. See the instructions on page 4.		edmilen to sidu	the Certifica	tion, but you m	ust
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## U.S. person General Instructions

Signature of <

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

Sign

Here

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
  - 2. Certify that you are not subject to backup withholding, or
- 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

2008

- An individual who is a U.S. citizen or U.S. resident alien.
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

The U.S. owner of a disregarded entity and not the entity,